

GEFA STATE REVOLVING FUND PROGRAMS AMERICAN RECOVERY AND REINVESTMENT ACT FINANCING TERMS AND CONDITIONS

INTRODUCTION

The Georgia Environmental Facilities Authority (GEFA) offers these limited-availability financing terms in direct response to the goals and provisions of the American Recovery and Reinvestment Act (ARRA). These financing terms are temporary and the GEFA State Revolving Fund (SRF) programs will revert to their standard financing terms and policies when the applicability of these financing terms expires.

GOALS & OBJECTIVES IN DESIGNING FINANCING TERMS

GEFA designed these financing terms to achieve several objectives, including:

- Ensuring geographic diversity with respect to the benefits of ARRA funding.
- Meeting the terms of the ARRA and complying with such provisions as:
 - Additional subsidization reserve (50%);
 - Green project reserve (20%);
 - "Buy American: Use of American Iron, Steel and Manufactured Goods" provision (Sec. 1605);
 - Preferences for quick action, economic stimulus and job creation; and
 - All relevant deadlines.
- Implementing financing terms that are efficient, easy to understand, fair and rationale.

TIMING

Starting April 1, 2009 until either all eligible funds are obligated or January 31, 2010, whichever comes first.

AVAILABLE FUNDING UNDER THESE TERMS

The total 2009 SRF project funding available according to these terms and conditions is \$102,583,615 for the Clean Water SRF and \$41,844,670 for the Drinking Water SRF. These totals include both ARRA funds and federal fiscal year 2009 SRF capitalization funding. This funding will be subdivided into and reserved in three sub-funds within the CWSRF and the DWSRF:

	Clean Water SRF	Drinking Water SRF
• Rural Fund (30% of total project funding):	\$30,775,085	\$12,553,401
• Non-Rural Fund (50% of total project funding):	\$51,291,808	\$20,922,335
• Green Project Fund (20% of total project funding):	\$20,516,723	\$8,368,934

Reallocation provision – in case the reserved funding in the Rural Fund , the Non-Rural Fund or the Green Project Fund has not been fully obligated to eligible projects ready to go to construction by August 27, 2009, GEFA reserves the right to remove these restrictions and make funding available to any eligible projects.

FINANCING TERMS & LIMITATIONS

RURAL FUND

- Loans with maximum term of 20 years;
- 3% interest rate with 70% subsidy¹;
- 2% closing fee on total principal; and
- No single loan to a community may exceed \$10,000,000 under these terms.

¹ The ARRA permits subsidy in the form of forgiveness of principal, negative interest loans and grants. As used in these financing terms and conditions, subsidy is forgiveness of principal.

NON-RURAL FUND

- Loans with maximum term of 20 years;
- 3% interest rate with 40% subsidy;
- 2% closing fee on total principal; and
- No single loan to a community may exceed \$10,000,000 under these terms.

GREEN PROJECT FUND

- Loans with maximum term of 20 years;
- 3% interest rate with 60% subsidy;
- 2% closing fee on total principal; and
- No single loan to a community may exceed \$5,000,000 under these terms.

DWSRF DISADVANTAGED COMMUNITY PROGRAM

GEFA will maintain the existing DWSRF Disadvantaged Community Program, with some temporary modifications. If GEFA determines that a community cannot afford the proposed project according to these financing terms, GEFA may offer a lower interest rate to these applicants. During the applicable period of these financing terms, GEFA will suspend conflicting policies.

SUMMARY OF TERMS

	Fund Share of Total	Available Clean Water Funding	Available Drinking Water Funding
Rural Fund (with 70% subsidy)	30%	\$30,775,085	\$12,553,401
Non-Rural Fund (with 40% subsidy)	50%	\$51,291,808	\$20,922,335
Green Project Fund (with 60% subsidy)	20%	\$20,516,723	\$8,368,934
	100%	\$102,583,615	\$41,844,670

ELIGIBILITY

RURAL FUND

Cities or counties that are OneGeorgia Eligible will be considered under the Rural Fund. OneGeorgia Eligible communities have less than 50,000 residents and poverty rate of 10% or higher.

NON-RURAL FUND

Cities or counties that are not OneGeorgia Eligible will be considered under the Non-Rural Fund.

GREEN PROJECT FUND

All cities and counties are eligible to apply for funding under the Green Project Fund. Only stand-alone green projects are eligible for the terms described herein.

MULTIPLE APPLICATIONS

Communities may only submit one application for funding under either the Rural Fund or the Non-Rural Fund, whichever is applicable. Communities may also submit one application under the Green Project Fund.

AVAILABILITY OF STANDARD SRF PROGRAM TERMS

Any applicant applying for funding during the applicable time period of these financing terms may opt for the terms of the regular GEFA SRF funding. This option may benefit (1.) applicants that want additional SRF funds in excess of the applicable loan caps that pertain to these financing terms and (2.) applicants not interested in complying with special terms of the ARRA, such as the "Buy American" provision.

UNIVERSAL MINIMUM ELIGIBILITY REQUIREMENTS

Under the SRF program, GEFA may provide funding to counties and municipalities and water and/or water and sewer authorities. Additionally, applicants must meet the following eligibility criteria:

- Only those counties and municipalities certified as Qualified Local Governments by the Department of Community Affairs (DCA) and the water and/or water and sewer authorities within those certified governments may receive funding under this program.
- Only applicants within counties that have current DCA-certified Service Delivery Agreements may receive funding under the SRF program and the proposed project must be consistent with the verified strategy.
- Applicants must be in compliance with all State Audit Requirements.
- Applicants cannot be listed on GEFA's Watch List.
- Communities within the Metro North Georgia Water Planning District must be certified by the Director of the Environmental Protection Division as either being in compliance or making a good faith effort to comply with all District Plans and/or enforcement measures.

Additionally, for the purposes of receiving ARRA funding, recipient must meet all applicable federal requirements including the use of American Iron, Steel and Manufactured Goods (Buy American provision).

PRIORITIZATION & SELECTION

- In coordination with the Georgia Environmental Protection Division (EPD), GEFA will identify priority projects for funding. GEFA will include these projects on the "Fundable Priority Lists" that the U.S. EPA requires GEFA submit as part of its application for SRF funding.
- GEFA will request that these projects submit applications to GEFA and submit all necessary environmental planning documents to EPD.
- In keeping with the ARRA, GEFA will assign high priority to those projects ready to begin construction within 120 days of the enactment of the ARRA.
- Additional consideration may be given to projects in areas with high unemployment.
- GEFA will assign a "place in line" to projects once they have successfully been approved for Board review by the GEFA Finance and GEFA Program Staff. This approval can only occur after (1.) EPD has issued a NONSI or Categorical Exclusion for the project and (2.) the project clears the GEFA financial underwriting process.
- Applications will be presented to the GEFA Board for approval according to their "place in line," as described above.

ACCOUNTABILITY

- Projects that do not begin by the start date risk having their contract revoked.
- Recipients are required to provide monthly status reports.

BACKGROUND

- GEFA administers the Clean Water and the Drinking Water State Revolving Fund loan programs - low-interest loan programs authorized and funded by the federal government to help local governments finance critical water infrastructure projects that protect public health and enhance water quality.
- The American Recovery and Reinvestment Act of 2009 (ARRA or the Act) allotted increased funding to the Clean Water and Drinking Water State Revolving Fund loan programs.
- GEFA will administer these funds in keeping with the provisions of the American Recovery and Reinvestment Act of 2009.